Internet Commerce ICC Coalition

Before the
DEPARTMENT OF COMMERCE
U.S. PATENT & TRADEMARK OFFICE
Alexandria, Virginia

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In re	)
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Request for Comments: Trademark	)
Litigation Tactics	)
("Small Business Study")	)
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COMMENTS OF THE INTERNET COMMERCE COALITION

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Internet Commerce Coalition Trademark Bullying Comments

The Internet Commerce Coalition ("ICC"), a coalition of leading Internet service providers, e-commerce companies and trade associations, is pleased to respond to the Request for Comments on Trademark Litigation Tactics ("RFC") issued by the Patent and Trademark Office ("PTO"). We appreciate PTO's efforts to examine trademark litigation questions in a balanced manner that considers the perspectives of U.S. trademark owners and practitioners, as well as consumers and economic recovery.

ICC members are key providers of ecommerce, online and telecom services, such as, Amazon.com, AT&T, Comcast, eBay, Inc., Monster.com, TimeWarner Cable, Verizon, TechAmerica, and USTelecom. Our diverse members own some of the world's most famous trademarks. They represent important sources of American jobs and generate substantial economic activity involving large and small business alike.[1] As such, ICC members have a major stake in ensuring the strong and balanced administration of our nation's trademark laws. We are pleased to offer comments based on our members' extensive experience with the trademark system.

We believe that trademark bullying is indeed a significant and growing problem for trademark owners and users alike. At the outset, we would note that those involved in "trademark bullying" are not limited to trademark owners of a certain size. Both large and small companies are victimized by trademark bullying. Nor does the definition of trademark bullying overlap with the vigorous, legitimate enforcement of trademark rights that is envisioned by our trademark system. Rather, as reflected in the PTO definition,[2] bullying connotes extreme conduct that oversteps the bounds of existing law. To aid PTO's examination of the problem, we share the following examples of trademark bullying:

- **Legitimate resale.** Some trademark owners increasingly are taking inappropriate steps to object to the lawful resale of legitimate goods. For example, an ICC member has been contacted by a brand owner who intended to report unauthorized distributors if the sellers do not stop selling its items, thereby pressuring small businesses to stop legitimately selling authentic goods. This harassing activity, which is not supported by existing law, consumes a significant amount of the victim's time and ultimately harms ecommerce and consumers.

- **DMCA "take-downs".** There are trademark owners who improperly attempt to exploit the Digital Millennium Copyright Act ("DMCA") – a federal statute that exclusively addresses copyrights – to demand DMCA-style "take-downs" of

[1] For example, USTelecom membership alone includes many mid-size companies and hundreds of small businesses.

[2] Request for Comments, n.1 ("A trademark "bully" could be described as a trademark owner that uses its trademark rights to harass and intimidate another business beyond what the law might be reasonably interpreted to allow."), available at http://www.uspto.gov/trademarks/bullies_survey.jsp.

trademarks. For example, certain ICC members who are service providers have received invalid DMCA take-down notices from a well-known brand holder demanding that they take down trademark infringements. Even after being informed that the DMCA process applies only to copyright infringements, the brand holder went on to threaten those members with contributory and vicarious trademark liability.[3] This misrepresentation of federal law – which applies only to copyright and must be signed with an accompanying declaration signed under penalty of perjury that the information in the notice is accurate and such person is authorized to act on behalf of the owner of an exclusive right under copyright law – constitutes bullying.

- **"Trademark Trolls"** A perverse and pernicious type of trademark bullying is being carried out by a group of small entities who seek to cancel trademark owners' well-known marks at PTO (under a "no-longer-in-use" argument) and then register the same mark for their own monetization and to extort settlements out of trademark owners. For example, the business model of one company, Exim Brands, involves filing intent-to-use applications for well-known marks by asserting such marks are "abandoned." Exim has aggressively filed frivolous cancellation proceedings at the Trademark Trial and Appeal Board ("TTAB") in order to traffic in the well-known marks of others. PTO records show that this company has filed applications for a host of famous marks across a wide field of goods and services, including marks such as TANDY and HANDSPRING. Another company, Peacock Brands, has filed multiple trademark applications at PTO for the well-known brands of others. A third entity, River West Brands, claims to own a large portfolio of well-known third-party marks including BONWIT TELLER for apparel, SALON SELECTIVES for hair products, and BRIM for coffee. River West alone has filed more than 25 different cancellation proceedings at the TTAB against owners of well-known brands (see Attachment A). These efforts to strip money or assets from trademark owners are bullying.

- **Secondary liability campaigns.** Finally, the ICC is disappointed in a recent trend by certain international trademark groups to try to foist new forms of secondary liability on online intermediaries and marketplaces via cease and desist letters, litigation and policymaking efforts. For example, a recent lawsuit attempted to impose strict copyright-like principles of secondary liability to apply to intermediaries in the trademark field.[4] And some of these same trademark groups are aggressively supporting legislation to do the same.[5]

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[3] Other examples of such misconceived DMCA-style notices can be found at http://www.chillingeffects.org/dmca512/notice.cgi?NoticeID=842 and http://www.chillingeffects.org/trademark/notice.cgi?NoticeID=1762.

[4] The case ultimately was rebuffed by the Supreme Court. *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93 (2d Cir. 2010), *cert. denied*, 178 L. Ed. 2d 513 (2010).

[5] See, e.g., Combating Online Infringement and Counterfeits Act, S. 3804, 111th Cong. (2010).

In each case, the bullying activity represents a distortion of the trademark laws, and an unnecessary drain on the resources of legitimate companies who contribute valuable goods and services to consumers and for the benefit of our economy.

Accordingly, we urge all those involved in trademark administration – including PTO, the courts, and Congress – to remain vigilant to signs of trademark bullying, and stand ready to address it appropriately.

ICC members would be very happy to explore specific ways PTO could more actively monitor and discourage such abuses.

Again, the ICC appreciates the opportunity to submit comments. ICC members look forward to working with PTO and interested stakeholders on the issue of trademark bullying.

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Attachment A

TTAB Proceedings Involving River West Brands LLC

Mark	Owner of Mark
IPANA	American Vitamin Products, Inc.
METRECARB	Bravo! Foods International Corp.
COLECO, COLECO VISION	Coleco Industries, Inc./ Hasbro, Inc.
LUSTRE-CRÈME	Colgate-Palmolive Company
LOURNAY	Colgate-Palmolive Company
HALO	Colgate-Palmolive Company
BEATRICE	Conagra Brands, Inc
SILENCE	Diamond Products Company
LIKE	Dr. Pepper/ Seven Up, Inc.
HAI KARATE	Fabulous Age Limited
I. MAGNIN	Federated Department Stores, Inc.
DIXI COLA	Georgia-Pacific Corporation
TV TIME	Gilster-Mary Lee Corporation
GEE, YOUR HAIR SMELLS TERRIFIC	Kao Kabushiki Kaisha
FILL IT TO THE RIM WITH BRIM	Kraft Foods Holdings, Inc.
ALMOST HOME	Kraft Foods Holdings, Inc.
DRIVE	Lever Brothers Company
6-12	Linden Corporation
SUZI WAN	Mars, Inc.
MARATHON	Mars, Inc.
BANNER	New Windsor Brands, LLC
STERLING	Pennzoil-Quaker State Company
GAINES.BURGERS/ GAINES-PATTIES/GAINES.WICHES	Promark International, Inc.
UNDERALLS	Saramar LLC
TROPICAL BLEND	Schering-Plough Healthcare Products, Inc.
BONUS	The Procter & Gamble Plaza

Source: Data compiled from TTAB records, available at http://www.uspto.gov/trademarks/process/appeal/index.jsp.